

ever, and were subjected to a considerable assessment,¹ The other large failure of the time was that of the Sovereign Bank, which had been founded with high hopes and a capital of \$4,000,000, in April, 1902. So aggressive was the bank and such large profits did it show, down to the spring of 1906, that the Dresdner Bank of Berlin at that time acquired a three-eighths interest in its capital, and the event was hailed as opening a new era in international finance.³

But the Sovereign Bank ventured upon unsafe ground, it became necessary to write off the whole of the reserve fund of \$1,250,000, and \$1,000,000 of the capital in June, 1907, and a radical change was made by the foreign bankers in management and methods.³ Even reorganization failed to save the institution and its doors were closed on January 18, 1908, with liabilities to the public of \$16,174,408. As in the case of the Federal Bank and the Ontario Bank, other Canadian institutions found the assets of the failed bank good enough to warrant their assumption of its liabilities, and they were quietly taken over without a day's embarrassment to depositors or other creditors. The option was given to depositors of withdrawing their funds in cash or leaving them with the new depository.⁴

Of the four smaller banks which failed between 1893 and 1908, the first was the *Banque Ville Marie* In 1899, with capital and reserves of \$489,620 and liabilities to the public of \$1,766,841. The failure was essentially fraudulent and depositors received only seventeen per cent, of their claims. The second of these failures was that of the Bank of Yarmouth In 1905, with capital and reserves of \$335,000 and liabilities to the public of \$362,207. The *Banque de St. Jean* at St. John's, Quebec, was closed on

¹ Letter of A. St. I/. Trigge, Secretary of the Canadian Bank of Commerce, to the author, September 17, 1908. The assessment was then estimated at about fifty per cent.

² *New York Bankers' Magazine*, February, 1907, I/XXIV., 229.

³ *Ibid.*, August, 1907, LXXV., 248.

⁴ *Ibid.*, February, 1908, LXXVL., 213.